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UNCLAS SECTION 01 OF 03 QUITO 000259

SIPDIS

DEPT PASS TO USAID

E.O. 12958: N/A

TAGS: [SENV](#) [EAID](#) [SOCI](#) [EPET](#) [ECON](#) [PGOV](#) [PHUM](#) [EC](#)

SUBJECT: UNREALISTIC HUAORANI CONFRONT LOGGING AND PETROLEUM ISSUES

1. Summary: With an agenda focusing on illegal logging, their relationship with the petroleum industry, and institutional corruption, the Huaorani indigenous group held a general assembly in the jungle community of Nemonpari. While laudable in its effort to tackle these pressing issues, the new Huaorani leadership holds unrealistic expectations regarding its ability to shape government policy, influence the private sector, and manage the Huaorani population. USAID programs support the territorial integrity of the Huaorani lands and the institutional stability of the Huaorani leadership. However, political weakness -- in both Ecuador's indigenous groups and the Ministry of Environment -- undermines efforts to protect the fragile, mega-diverse ecosystem in the rainforests of the Ecuadorian Amazon. End Summary.

NEW LEADERSHIP CALLS GENERAL ASSEMBLY

2. Four months after forcing out the previous Huaorani leadership, the indigenous group's new directorship held an Extraordinary General Assembly on December 27-28, 2005. The Huaorani leadership represents some 2900 Huaorani who live in 32 disparate communities spread out over a legalized territory that covers over 1.6 million acres and includes parts of Yasuni National Park, considered by leading biologists to be one of the most biodiverse locations on the earth. Over 120 Huaorani traveled to the community of Nemonpari -- some traveling up to 5 days in canoes and over land -- to attend the assembly. Representatives from all of the 32 communities were present.

3. The eight new directors, who represent the Huaorani in their relations with both the private sector and the GOE, addressed critical matters facing the Huaorani, including illegal logging, the Huaorani's relationship with petroleum companies, and corruption on the part of prior directors. Econoff and AID specialist attended the Assembly to discuss these issues with community representatives and the new Huaorani leadership.

ILLEGAL LOGGING UNFETTERED

4. Utilizing petroleum roads to gain access to the rainforest, loggers have been penetrating Huaorani (and other indigenous) lands to illegally extract, among other wood, cedar and mahogany. (Ecuador's deforestation rate is nearly half a million acres per year.) Loggers, who in recent years have included Colombians, make frequent threats against indigenous people who attempt to intervene in their activities. Some deaths, including the 2003 massacre of 23 members of the Tagaeri tribe, have been linked to loggers. Most recently, after months of reported threats from loggers, a building used to check timber transport out of Yasuni National Park was burned to the ground on December 24.

5. While the threat is primarily external, Huaorani Vice President Moi Enomenga acknowledges that some Huaorani facilitate (and benefit from) illegal logging on Huaorani land. For example, the Bave family (a father and two sons) have become wealthy by controlling the waterways at the end of the Via Aucas, a road that originally was built to facilitate petroleum extraction. Loggers pay the Baves for safe passage on these waterways -- primarily the Tiguino and Cononaco Rivers.

6. As is the case in other parts of Ecuador, federal government officials are minimally involved in trying to control the illegal traffic of timber from Huaorani lands. In response, the Huaorani have been working over the past 2 months with provincial government officials -- to include the military, elected officials, and representatives of the MOE -- along with petroleum companies such as Encana and Petrobras, to develop a plan allowing for the Huaorani to patrol and control the flow of timber from their lands and that of Yasuni National Park. While agreements at the local level have been reached, implementation of the plans still requires support from Ministers in Quito.

LOVE-HATE RELATIONSHIP WITH THE PETROLEUM SECTOR

17. The Huaorani have a love-hate relationship with the petroleum sector. On the one hand, Huaorani claim that petroleum roads facilitate illegal logging, petroleum companies pollute their rivers and undermine their health, and petroleum money erodes their culture. On the other hand, petroleum companies are often the major source of funds to the local communities and, through agreements signed with Huaorani leaders, provide ONHAE (the Huaorani's legal organization) with a budget over 2 million dollars per year to help pay for ONHAE's administration and to cover a wide variety of health and education projects in the territory.

18. What is particularly disturbing to many Huaorani is the manner in which corrupt Huaorani leaders have abused the petroleum sector relationship at the expense of the rest of the Huaorani community. During the Assembly, a wide range of Huaorani, from current directors to illiterate elders, recounted stories of petroleum money intended for schools or health care disappearing into the hands of the directors and never reaching its intended targets. Meanwhile, oil companies complain that no sooner do they reach an agreement with representatives of one indigenous group than a new group of leaders claiming to represent the same indigenous group want to strike their own agreement.

19. Much of the Huaorani furor during the Assembly was targeted at former ONHAE President Armando Boya, who in early 2005 signed an agreement with Petrobras that granted the Brazilian oil company access to Huaorani territory in exchange for financial support for the Huaorani. Sensing kickbacks and corruption on the part of Boya, the Huaorani community has sought to nullify the agreement. Responding to pressure, the Ministry of Environment has temporarily halted the construction of a Petrobras road into Huaorani territory within the Yasuni National Park. At the General Assembly, Huaorani representatives voted to not abide by the agreement Boya signed with Petrobras and to prohibit any future relations with Petrobras. The legal significance of this vote is unclear. Meanwhile, Huaorani representatives at the Assembly remained open to agreements with other petroleum companies.

MINIMAL INSTITUTIONAL OVERSIGHT

10. Over the past two decades, a series of Huaorani Directors have taken advantage of weak community oversight of the Huaorani leadership. Low literacy levels and a lack of Spanish fluency among the Huaorani had for many years allowed Directors to misrepresent contracts being signed by ONHAE. Even with improved literacy and Spanish, geographical factors remain an obstacle to proper oversight. Given their isolation the 32 communities can easily be kept out of the loop on important decision-making. More importantly, ONHAE headquarters (and the Directors' homes) are located in the city of Puyo, which is not even in Huaorani territory. This physical separation limits the ability of community representatives to oversee ONHAE activities and provides opportunities for the Huaorani leadership.

11. As many Huaorani acknowledged to Econoff, a position with ONHAE is for many Huaorani an opportunity to make some quick money -- those elected to the Directorship are considered "lucky." Recently ousted President Juan Enomenga, when discussing accusations of wrongdoing, appeared undisturbed. However, there are some directors, including those in the current leadership, who appear sincerely interested in bettering the Huaorani's situation. While US and European NGOs support such directors, the NGOs come and go as funding and the relative popularity of other environmental causes fluctuate. This inconsistency undermines stability in the Huaorani leadership. Most recently, NGOs which provided financial assistance for the current leadership to hold August 2005 elections that ousted the Boya directorship were either unable or unwilling to show up to the December General Assembly. In the eyes of some Huaorani, their absence undermined the standing of the new leadership.

POLITICAL WEAKNESS FORCING HUAORANI TO GO LOCAL

12. Huaorani leaders have for many years overestimated their capacity to affect the political landscape. Both with respect to illegal logging and petroleum exploration and extraction, ONHAE leadership has acted as if the territorial titles they have received from the GOE came with the political power to determine government policy and enforcement in those territories. This has proven an exaggeration. In order to overcome their political weakness, the Huaorani have altered their tactics and are working directly with actors at the local level, as they have been doing with respect to logging in Yasuni.

¶13. The Huaorani also are looking into their own community for leadership on health, logging, and petroleum issues. With the help of the USAID-backed CAIMAN project, AMWAE, the Association of Huaorani Women of the Ecuadorian Amazon, was founded one year ago. AMWAE brings a needed voice into community debates and AMWAE President Alicia Cahuyia represented the Huaorani at the UN in May 2005. However, women clearly still played a minor role during the Assembly's deliberations.

USAID PROGRAMS PROVIDE NEEDED ASSISTANCE

¶14. USAID, through the CAIMAN Project, runs several programs to address shortcomings in the management of Huaorani institutions and territory. Given the complete lack of fiscal oversight during the previous administration, USAID did not directly support ONHAE (opting instead to focus support on AMWAE). The recently installed ONHAE leadership has demonstrated greater commitment to transparent administration. As a result, AID has agreed to provide support to strengthen ONHAE oversight by funding an accountant to help track spending and the distribution of grants. AID also works to facilitate Huaorani assemblies, increasing the contact that ONHAE has with community representatives. While legalizing their land with the GOE was critical for its management, the Huaorani also need to demarcate the territorial boundaries, which AID has facilitated through the funding of work parties.

COMMENT

¶15. While these USAID programs successfully tackle specific concerns associated with the Huaorani community's management of its mega-diverse territory, they do not change the overall political landscape in which the Huaorani operate. A weak MOE, underdeveloped Huaorani institutions, and endemic corruption limit the Huaorani in their efforts to productively manage logging and petroleum issues.

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